

## Message Text

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ORIGIN EB-07

INFO OCT-01 AF-08 ARA-06 EUR-12 EA-07 ISO-00 IO-13 GSA-01

INT-05 AID-05 CIAE-00 COME-00 FRB-03 INR-07 NSAE-00

USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02 CIEP-01 LAB-04

SIL-01 OMB-01 NSC-05 SS-15 STR-04 CEA-01 DODE-00

NEA-10 OIC-02 L-03 H-02 PA-01 PRS-01 /139 R

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ARA/LA/BC:RPACE

ARA/ECP:ABERRY

EA/EP:MRHENDERSON

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P R 102201Z NOV 76

FM SECSTATE WASHDC

TO AMEMBASSY BANGKOK PRIORITY

AMEMBASSY CANBERRA PRIORITY

AMEMBASSY JAKARTA PRIORITY

AMEMBASSY LAGOS PRIORITY

AMEMBASSY KINSHASA PRIORITY

AMEMBASSY KUALA LUMPUR PRIORITY

AMEMBASSY LA PAZ PRIORITY

INFO AMEMBASSY LONDON

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E.O. 11652: N/A

TAGS: EMIN, ITC

SUBJECT: DECEMBER MEETING OF INTERNATIONAL TIN COUNCIL

REF: (1) LONDON 16721; (2) LONDON 17173

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1. AT THE OCTOBER ITC MEETING, THE PRODUCERS REQUESTED

THAT THE BUFFER STOCK FLOOR PRICE FOR TIN BE INCREASED FROM M\$1,000 TO M\$1,150 AND THE CEILING PRICE FROM M\$1,200 TO M\$1,430 PER PIKUL (133.3 LBS.). WHILE THE PRICE INCREASE REQUESTS WERE REJECTED, THE COUNCIL AGREED TO MEET AGAIN ON DECEMBER 6 TO RECONSIDER THE PRICE INCREASE REQUESTS AND THE PRODUCERS AGREED TO SUBMIT COMPLETE ECONOMIC AND FINANCIAL JUSTIFICATION FOR THEIR REQUESTS TO THE ITC'S COMMITTEE ON COST AND PRICES PRIOR TO THE DECEMBER COUNCIL MEETING.

2. THE SOLE REASON GIVEN FOR THE PRICE INCREASE REQUEST AT THE OCTOBER MEETING WAS BOLIVIA'S CLAIM THAT GENERAL INFLATION AND THE INCREASING COST OF IMPORTED CAPITAL EQUIPMENT HAD SO INCREASED BOLIVIAN MINING COSTS THAT NEW INVESTMENT WOULD BE IMPEDED WITHOUT A FLOOR PRICE INCREASE. BOLIVIA ALSO CLAIMED THAT NEW JERSEY ZINC IS CONTEMPLATING SUBSTANTIAL INVESTMENT (\$40-60 MILLION) IN A TIN MINING VENTURE IN BOLIVIA, BUT WOULD PROBABLY NOT PROCEED WITHOUT

THE FLOOR PRICE INCREASE. OTHER PRODUCERS SUPPORTED BOLIVIA, BUT DID NOT CITE SPECIFIC EXAMPLES OF INFLATION OR POTENTIAL NEW INVESTMENT.

3. WHILE PRODUCERS DID COMMIT TO PROVIDE COMPLETE DATA ON THEIR PRODUCTION COSTS, DEPT WOULD LIKE TO OBTAIN INDEPENDENT DATA ON SEVERAL FACETS OF TIN INDUSTRY IN PREPARATION FOR DECEMBER ITC MEETING. ACCORDINGLY, POSTS ARE REQUESTED TO OBTAIN SUCH DATA AS IS AVAILABLE ON THE FOLLOWING AREAS FOR SUBMISSION TO THE DEPARTMENT BY NOVEMBER 30.

A. AVERAGE MINING AND CONCENTRATING COSTS FOR TIN FOR 1974, 1975, 1976 BY TYPE OF PRODUCTION, E.G., DREDGE, GRAVEL PUMP OR LODE MINING.

B. SPECIFIC AREAS OF COST INFLATION, E.G., EXPLORATION, CAPITAL EQUIPMENT, POWER, LABOR, REPLACEMENT PARTS AND CONSUMABLE MATERIALS, TAXES, ETC.

C. 1975 PROFITABILITY (OR LOSS) DATA ON LARGER STATE-LIMITED OFFICIAL USE

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OWNED OR PRIVATE MINING COMPANIES.

D. INFORMATION ON PLANNED NEW INVESTMENTS IN TIN MINING.

E. AMOUNT OF TIN-IN-CONCENTRATES OR TIN METAL BEING HELD BY MINES, TRADERS AND SMELTERS ON OCTOBER 30 OR MOST RECENT DATE AVAILABLE.

F. PRESENT RATE OF NATIONAL PRODUCTION OF TIN-IN-  
CONCENTRATES AND TIN METAL.

4. DEPT REALIZES THAT DETAILED DATA ON SPECIFIC  
INDUSTRIES OFTEN IS DIFFICULT TO OBTAIN, PARTICULARLY ON  
SHORT NOTICE, BUT ANY INFORMATION POSTS CAN PROVIDE WILL  
ASSIST DEPT IN FORMULATING ITS POSITION FOR THE DECEMBER  
ITC MEETING. KISSINGER

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## Message Attributes

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**TAGS:** EMIN, ITC  
**To:** BANGKOK CANBERRA JAKARTA MULTIPLE  
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